ENCOURAGING BUILDING REUSE

Mapping + policy recommendations for a stronger Louisville

The Preservation Green Lab

Groundbreaking research related to the built environment.

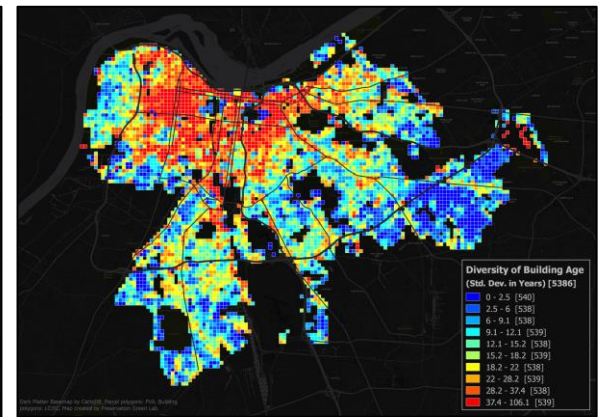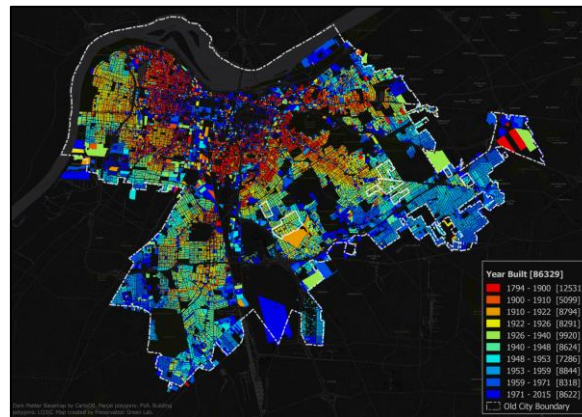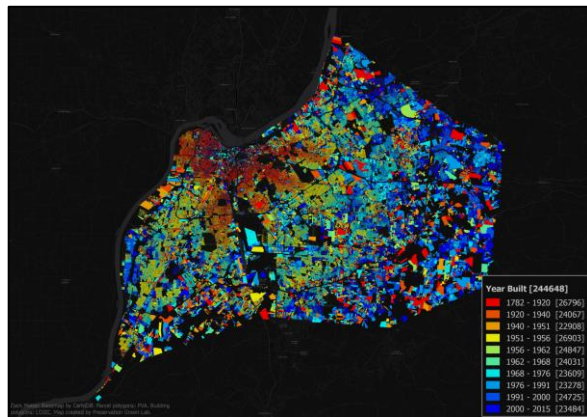Three types of analysis that will be used to develop a roadmap to more development and reuse in Louisville:

Spatial → **Opportunity** → **Policy**

Spatial Analysis

Spatial Analysis

SEATTLE, WA

BUSINESSES WITH WOMEN OR MINORITY OWNERSHIP

2x
WOMEN AND MINORITY OWNERSHIP

Areas of Seattle with older, smaller, more age-diverse buildings have more than twice the rate found in areas with mostly newer, larger buildings.

Oldest, most diverse & finest-grained buildings

19.2%

Newest, largest, least age-diverse buildings

9.5%

SAN FRANCISCO, CA

JOBS IN SMALL BUSINESSES

MORE
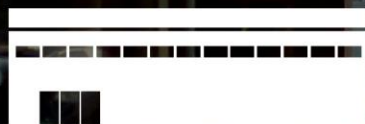### JOBS IN SMALL BUSINESSES

Areas of San Francisco composed of older, smaller, more age-diverse buildings have significantly higher percentages of jobs in small businesses than in areas with mostly newer, larger buildings.

Oldest, most diverse & finest-grained buildings

44.6%

Newest, largest, least age-diverse buildings

34.3%

WASHINGTON, D.C.

NON-CHAIN LOCAL ESTABLISHMENTS

MORE
NON-CHAIN ESTABLISHMENTS

There are significantly more non-chain businesses in areas of Washington, D.C. composed of older, smaller, more age-diverse buildings than in areas with mostly newer, larger buildings.

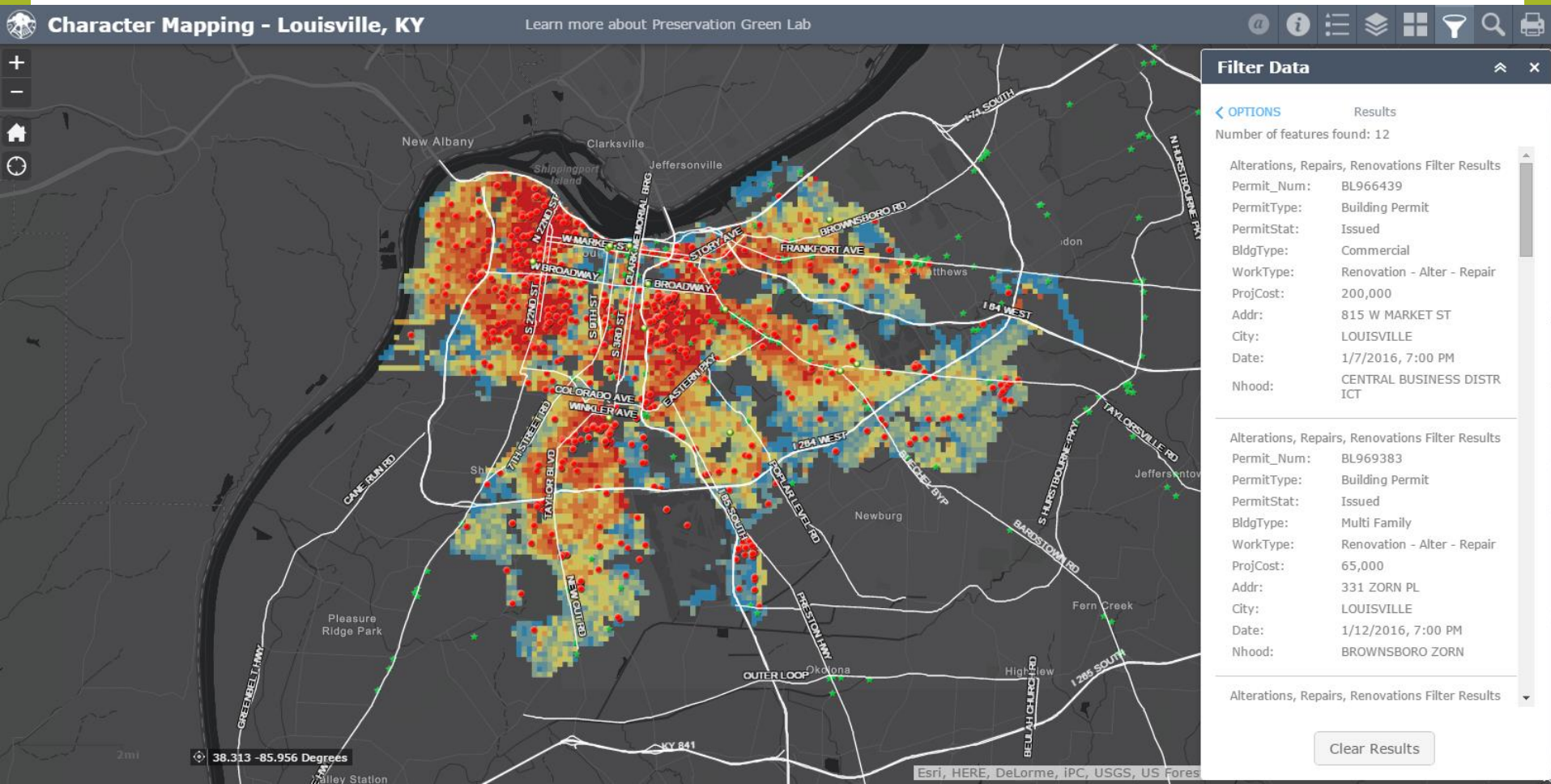Oldest, most diverse & finest-grained buildings

90.9%

Newest, largest, least age-diverse buildings

78.6%

Louisville Performance Mapping

Opportunity Analysis

Using data to direct investment.

Opportunity Analysis

Two models:

Market Driven
- Opportunities for for-profit developers to see the value in an area and invest.

Community Development Driven
- Opportunities for targeted resources to really impact an area that might not see market investment.

Opportunity Analysis

Market Driven

- Places with stable population
- Mid-tier investment in existing buildings
- Some vacancy, but low levels

Community Development Driven

- Suffering from population and job loss, but hanging on
- Declining income and signs of economic struggles
- Lower levels of investment existing buildings; higher levels of vacancy

Draft Reuse Opportunity Model

Social and Environmental Metrics
•Located at least ½ mile away from an EPA-listed source-based pollutant
•Mid-tier tree canopy

Economic Metrics
•Middle third : Percentage of jobs that are in small businesses, 2014
•Middle third: Percentage of jobs that are in new businesses, 2014
•Middle third: Change in number of jobs, 2008-2014

Real Estate Metrics
•Middle third: Total estimated value of all permitted alterations, repairs, renovations, and additions, 2010-2015
•Middle third: Number of demolition permits less the number of new construction permits, 2010-2015
•Grid square has one vacant structure (i.e., "a missing tooth")

Demographic Metrics
•Middle third: Percent of population that newly moved to Jefferson County in the previous year, 2013
•Middle third :Change in population, 2000-2010
•Middle third: Change of the computed Racial and Ethnic Diversity Index score, 2000-2010

Reuse Opportunity Score

Limited Opportunity for Reuse

Strongest Opportunity for Reuse
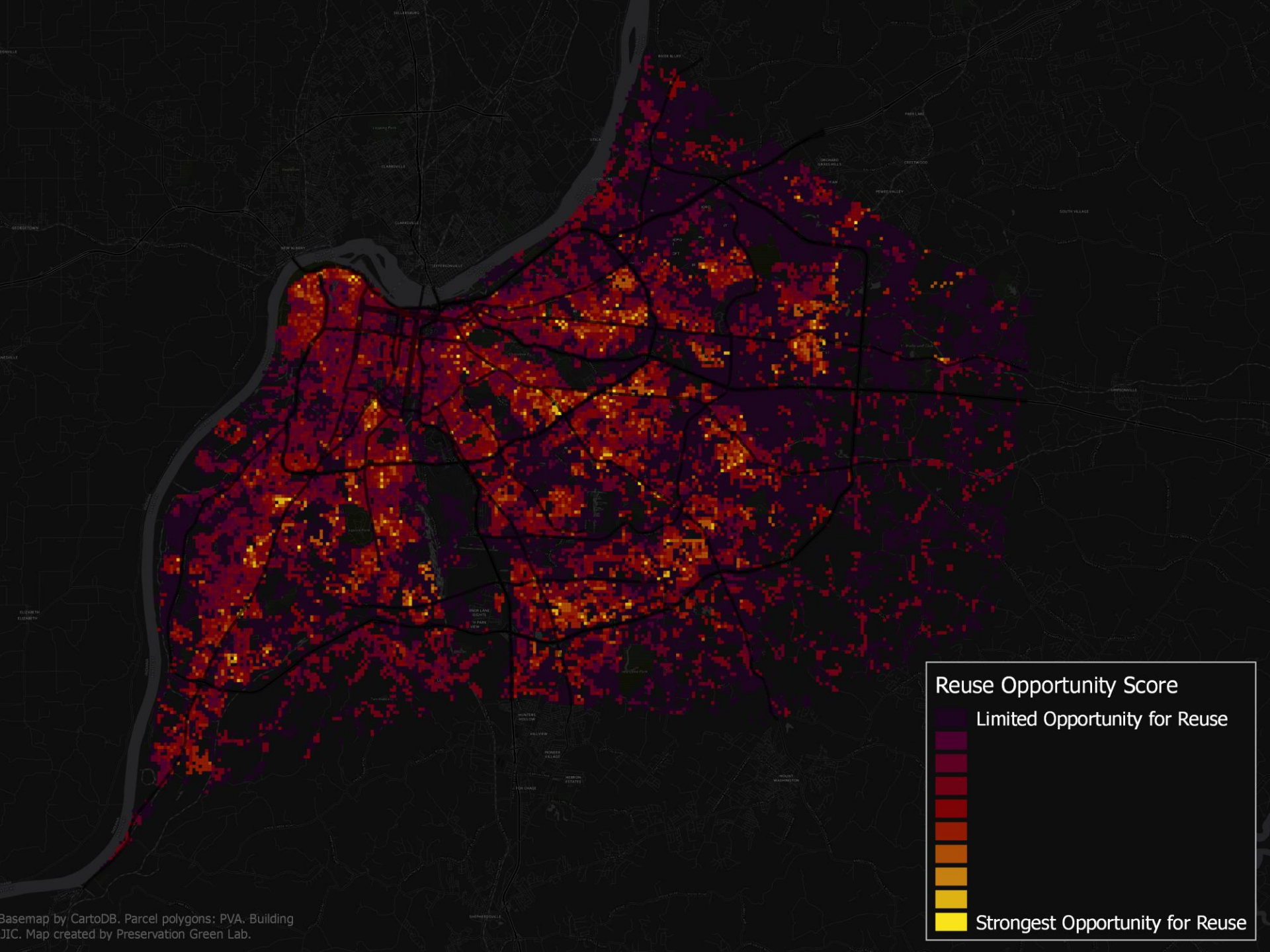
Policy Analysis

What can we do to bring the benefits of reuse to more neighborhoods and citizens of Louisville?

Policy Analysis

Barriers to Building Reuse

Market Barriers

Financial Barriers

Technical Barriers

Regulatory Barriers

Policy Analysis – Market Barriers

- Incredible stock of buildings (too many to save?)

- Capital misalignment of the market

- Challenges with schools and transit

Policy Analysis – Financial Barriers

- State and federal tax credits are inflexible and constrained

- Lack of tools for small-scale projects in general

- Missing link between financial programs and energy efficiency (hard to reach market)

Policy Analysis – Technical Barriers

- Some building types are particularly challenged
- Lack of education programs for developers interested in reuse and homeowners
- Not enough skilled tradespeople and laborers

Policy Analysis – Regulatory Barriers

- Providing parking can be challenging for older buildings

- Misalignment of city codes (energy codes, plumbing)

- Local historic districts aren't well understood

Ideas to Advance Building Reuse

INCREASE THE FLEXIBILITY OF EXISTING CODE REGULATIONS AND REMOVE REGULATORY BARRIERS TO BUILDING REUSE

- *Expedite the permitting and plan review process for building reuse projects.* Establish point person(s) who have expertise in how building reuse relates to existing city code. Give select planning staff discretion to make decisions on permitting and approving building reuse projects. Establish regular meetings of various code review officials (e.g., fire marshal, planners, code enforcement, etc.) to support coordination of challenges and solutions.

- *Coordinate landmarks guidelines, building code, and sustainability goals to ensure that efforts are aligned*.

- *Highlight and promote successful case studies of building reuse to shift focus from old ideas about preservation to new ideas about the reuse value of old buildings for diverse communities.* Promote case studies of reuse of particularly challenges building types, including churches, stadiums, and school buildings. Engage in good storytelling to show potential of preservation and reuse. Create clearer communication regarding the role of local historic preservation districts.

Ideas to Advance Building Reuse

EXPAND AND INCREASE THE EFFECTIVENESS OF REUSE INCENTIVES

- *Continue to advocate for removal of the Kentucky historic tax credit cap.*

- *Create a new revolving loan fund program that focuses on preservation and building reuse.* Direct pools of funding toward key challenges facing building reuse, including sprinkler requirements. A revolving loan fund program in Savannah, Georgia focused on installing sprinklers may offer a template and precedent for such a program.

- *Provide regular trainings to educate developers, home owners, etc., about how to apply for and best utilize incentive programs.* Include focused attention on the 10 percent Federal Rehabilitation Tax Credit for non-historic, non-residential buildings constructed before 1936.

Ideas to Advance Building Reuse

EXPAND AND INCREASE THE EFFECTIVENESS OF REUSE INCENTIVES

- ***Advocate for improvements to the federal tax credits for old buildings****.* Advocate for the federal Historic Tax Credit Improvement Act that would increase the federal tax credit from 20 percent to 30 percent for small projects under $2.5 million. Advocate for greater flexibility in the Secretary of the Interior's Standards for Rehabilitation of Historic Buildings to open additional opportunities for use of the Federal Historic Tax Credit for older and historic buildings. Advocate for the expansion of the 10 percent credit to additional buildings.

- ***Utilize PGL mapping and modeling to be more targeted in applying reuse incentives.***

- ***Explore opportunities to establish new financial tools and programs—public and private—for supporting the reuse of older and historic buildings.*** Consider a range of options, including bringing back sunsetted tax abatement program that limits places a temporary moratorium on property tax increases for select properties and limits reassessment during a limited period of time.

Ideas to Advance Building Reuse

EXPLORE NEW TOOLS FOR FILLING IN "MISSING TEETH" IN THE BUILT ENVIRONMENT.

- *Test new solutions for building on top of surface parking lots.* Several cities, including Portland, Oregon; Montreal, Quebec; and Providence, Rhode Island are considering or have adopted taxes on surface parking lots in an effort to encourage new development.

- *Encourage small-scale new infill development and reuse of vacant buildings to maximize the performance of the existing building stock.* Small-scale developer training programs mobilize new, local developers who are often more willing to take on complex projects in their city or neighborhood.

Ideas to Advance Building Reuse

ALIGN COMMUNITY DEVELOPMENT STRATEGIES AND BUILDING REUSE OPPORTUNITIES.

- *Create loan pool / CDFI to create comps and improve appraisal accuracy.* Learn from Neighborworks and other organizations that have found clever approaches.

- *Create a simple guiding document that catalogs "cheap money" available for building reuse projects.* Learn from what other cities are doing. If there is no available financial support or lending, Louisville could be at a competitive disadvantage for development.

- *Prioritize opportunities to connect job training programs with building reuse projects.* Support the work of the Samuel Plato Academy, YouthBuild, and apprenticeship programs in training young Louisvillians to become tradespeople. Make stronger connections between labor and projects. Get local companies and major projects to sponsor students from the Plato Academy.

- *Create a registry for tradespeople that serves as a matchmaker for developers and building tradespeople.*

NEXT STEPS

Mapping + policy recommendations for a stronger Louisville